

Farm Credit Administration

§ 614.4560

(ii) Raise funds in the money markets; or

(2) Otherwise expose the Farm Credit Bank or agricultural credit bank to safety and soundness risks.

(e) *Notice to applicants.* Each Farm Credit Bank or agricultural credit bank shall render its decision on an OFI application in as expeditious a manner as is practicable. Upon reaching a decision on an application, the Farm Credit Bank or agricultural credit bank shall provide prompt written notice of its decision to the applicant. When the Farm Credit Bank or agricultural credit bank makes an adverse credit decision on an application, the written notice shall include the specific reason(s) for the decision.

(f) *Reports to the board of directors.* Each Farm Credit Bank and agricultural credit bank shall provide its board of directors with a written annual report regarding the scope of OFI program activities during the preceding fiscal year.

§ 614.4550 Place of discount.

(a) A Farm Credit Bank or agricultural credit bank may provide funding, discounting, or other similar financial assistance to any OFI applicant that:

(1) Maintains its headquarters in such funding bank's chartered territory; or

(2) Has more than 50 percent of its outstanding loan volume to eligible borrowers who conduct agricultural or aquatic operations in such funding bank's chartered territory.

(b) If the Farm Credit Bank or agricultural credit bank identified in paragraph (a) of this section denies or otherwise fails to approve an OFI's funding request within 60 days of receipt of a "completed application" as defined by 12 CFR 202.2(f), the OFI may apply to any other Farm Credit Bank or agricultural credit bank for funding, discounting, or other similar financial assistance.

(c) The Farm Credit Bank or agricultural credit bank may grant its consent for an OFI identified in paragraph (a) of this section to seek financing from another Farm Credit Bank or agricultural credit bank.

(d) No OFI shall be required to terminate its existing funding or discount

relationship with a Farm Credit Bank or agricultural credit bank if, at a subsequent time, an OFI relocates its headquarters to the chartered territory of another Farm Credit Bank or agricultural credit bank or the loan volume in the relevant territory falls below 50 percent.

§ 614.4560 Requirements for OFI funding relationships.

(a) As a condition for extending funding, discount and other similar financial assistance to an OFI, each Farm Credit Bank or agricultural credit bank shall require every OFI to:

(1) Execute a general financing agreement pursuant to the regulations in subpart C of part 614; and

(2) Purchase non-voting stock in its Farm Credit Bank or agricultural credit bank pursuant to the bank's bylaws.

(b) A Farm Credit Bank or agricultural credit bank shall extend funding, discount and other similar financial assistance to an OFI only for purposes and terms authorized under sections 1.10(b) and 2.4(a) and (b) of the Act.

(c) Rural home loans to borrowers who are not *bona fide* farmers, ranchers, and aquatic producers and harvesters are subject to the restrictions in § 613.3030 of this chapter. Loans that an OFI makes to processing and marketing operators who supply less than 20 percent of the throughput shall be included in the calculation that § 613.3010(b)(1) of this chapter establishes for Farm Credit Banks and agricultural credit banks.

(d) The borrower rights requirements in part C of title IV of the Act, and section 4.36 of the Act, and the regulations in subparts K, L, and N of part 614 shall apply to all loans that an OFI funds or discounts through a Farm Credit Bank or agricultural credit bank, unless such loans are subject to the Truth-in-Lending Act, 15 U.S.C. 1601 *et seq.*

(e) As a condition for obtaining funding, discount and other similar financial assistance from a Farm Credit Bank or agricultural credit bank, all State banks, trust companies, or State-chartered savings associations shall execute a written consent that authorizes their State regulators to furnish examination reports to the Farm Credit Administration upon its request.